



STATE OF CONNECTICUT

OFFICE OF POLICY AND MANAGEMENT

TESTIMONY OF
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SECRETARY

OFFICE OF POLICY AND MANAGEMENT

Before the Appropriations, Human Services, and Energy and Technology
Committees

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FFY 2015 LOW INCOME HOME ENERGY ASSISTANCE PROGRAM
BLOCK GRANT ALLOCATION PLAN

Good afternoon Senator Bye, Representative Walker, Senator Slossberg, Representative Abercrombie, Senator Duff and Representative Reed, and distinguished members of the Appropriations, Human Services, and Energy and Technology Committees. I am Benjamin Barnes, Secretary of the Office of Policy and Management, and I am before you today to request your approval of the block grant allocation plan for the Low Income Home Energy Assistance Program (LIHEAP).

Although the federal budget for FFY 2015 has not been finalized, the proposed allocation plan assumes the LIHEAP block grant will be level funded through continuing resolutions based on the FFY 2014 level of \$77.4 million. Additionally, an estimated \$1.4 million in carryforward funds and \$350,000 in refunds and other adjustments are anticipated to be available. In total, \$79.2 million is expected to be available, which is \$4.6 million less than the \$83.8 million expended during the FFY 2014 program year. This reduction in available funding is largely due to reduced carryforward funding into FFY 2015 as a result of last winter's extreme weather combined with the increase in LIHEAP SNAP benefits.

As you may recall, this past February, the Supplemental Nutrition Assistance Program (SNAP) was reauthorized as part of the 2014 Farm Bill. The language included a provision requiring that households receive a LIHEAP benefit greater than \$20 in order to automatically qualify for the Standard Utility Allowance under SNAP. In previous allocation plans, eligible households received a direct cash benefit under LIHEAP in the amount of \$1. The plan before you today provides a LIHEAP SNAP benefit of \$20.01, which will allow over 100,000 households to receive higher SNAP benefits as a result of having their SNAP benefits calculated using the Standard Utility Allowance.

With Connecticut's improving economy, the plan assumes that caseload levels will remain relatively flat. Over the past year, Connecticut's unemployment rate has fallen from 7.9% to 6.6%. In addition, the state has added 9,200 positions over the past 12 months and has now recovered 64.1% of the positions lost during the Great Recession. Personal income in the state

rose 2.7% through the first quarter of this calendar year, compared to the same quarter a year ago. Permits to construct single and multi-family units in Connecticut continue to rise along with new vehicle registrations.

For the FFY 2015 program year, the maximum Basic Benefit for households is decreased by \$35, from \$585 to \$550. Due to the reduction in available funding, all Basic Benefits are uniformly reduced by 6%. Even with these reductions, however, vulnerable, deliverable fuel-heated households will be eligible for up to \$1,795 in heating assistance.

To help ensure the benefit is sufficient to cover the delivery of a minimum of 100 gallons, the Crisis Assistance Benefit for CEAP households is being increased from \$410 to \$415. In addition, the Crisis Assistance Benefit for CHAP households is also increased by \$20, from \$110 to \$130, such that when combined with the Basic Benefit, CHAP deliverable fuel-heated households will receive a combined benefit of \$415.

Again, to help ensure the benefit is sufficient to cover a minimum delivery of 100 gallons, Safety Net Assistance Benefits are being increased from \$410 to \$415. Because of the reduction in available funding, the second Safety Net Assistance Benefit for non-vulnerable households and the third Safety Net Assistance Benefit for vulnerable households are being removed for FFY 15. These benefits were only provided from FFY 12 through FFY 14.

While I understand the reluctance to reduce benefits, the plan before you today is a reasonable one. Had the plan been based on the President's recommended budget, which is anticipated to result in state block grant funding of \$58.9 million (a reduction of \$18.5 million), Basic Benefits would need to be reduced by 45% rather than 6%. Instead, working in partnership with DSS, we are striving to maximize Basic Benefits at the highest level possible without reducing eligibility for benefits. The benefit levels being proposed will allow the program to meet its basic mission of assisting low-income households in meeting their winter heating costs.

The proposed allocation plan is a responsible and balanced plan that allows us to live within the anticipated federal dollars, provide significant Basic Benefits and maintain program eligibility. As in prior years, the plan allows for increases in benefits should additional funding become available.

I urge your support of the LIHEAP allocation plan. Commissioner Bremby will be presenting his testimony and will be able to provide more detailed information on the allocation plan which is before you today. Thank you.